

Message Text

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44

ACTION L-02

INFO OCT-01 EUR-12 EA-06 ISO-00 EB-07 DOTE-00 CAB-02 SIL-01

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TO SECSTATE WASHDC PRIORITY 6472

INFO AMEMBASSY PARIS

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AMEMBASSY BANGKOK

AMCONSUL HONG KONG

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E. O. 11652: N/A

TAGS: EAIR, ELAB, GW

SUBJECT: AVIATION: EMPLOYMENT DISPLACEMENT

REF: STATE 256126; BONN A-336, MAY 29, 1973

1. ANSWERS TO QUESTIONS POSED IN REFTEL ARE AS FOLLOWS:

A. GERMAN LABOR LAW PROVIDES THAT COMPENSATION TO BE PAID TO RELEASED EMPLOYEES WHEN AN ENTERPRISE CEASES OPERATIONS BE NEGOTIATED BETWEEN MANAGEMENT AND A COMMITTEE OF EMPLOYEES KNOWN AS THE WORKS COUNCIL (BETRIBSRAT). WORKS COUNCILS ARE REQUIRED FOR ALL ENTERPRISES EMPLOYING MORE THAN FIVE PERSONS AND ARE SEPARATE FROM UNIONS. THE FINAL NEGOTIATED SETTLEMENT GOVERNING WORKER COMPENSATION, ETC., IS KNOWN AS A "SOCIAL PLAN" WHICH MUST BE SUBMITTED TO THE LOCA1 FRG LABOR OFFICE FOUR WEEKS PRIOR TO THE TERMINATION OF OPERATIONS. WHILE THERE ARE NO PRESCRIBED LEVELS OF COMPENSATION IN SUCH CASES, WE UNDERSTAND THAT THE CUSTOMARY MINIMUM ARRANGEMENTS PROVIDE FOR ONE-HALF MONTH PAY PER YEAR OF SERVICE. IN ADDITION, GERMAN LAW SPECIFIES A SCHEDULE OF EMPLOYEE TERMINATION NOTICE

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BASED ON SENIORITY RANGING GENERALLY BETWEEN ONE AND

SIX MONTHS WHICH MUST BE FULLY PAID WHEN AN EMPLOYEE IS RELEASED. THE ABOVE PROVISIONS APPLY TO ALL EMPLOYEES WITHOUT REGARD TO NATIONALITY.

B. ACCORDING TO TWA ACTING MANAGER SMALL, TWA IN GERMANY HAS NO EMPLOYEES BELONGING TO UNIONS; THEREFORE, FINAL COMPENSATION TO STAFF RELEASED AS A RESULT OF THE CARRIER'S TERMINATION OF SCHEDULED OPERATIONS WILL BE ARRANGED IN ACCORDANCE WITH "A" ABOVE. SMALL EXPECTS THAT A FINAL "SOCIAL PLAN" WILL BE WORKED OUT AT A MEETING BETWEEN THE WORKS COUNCIL AND TEAM OF TWA LABOR RELATIONS REPS SCHEDULED FOR DECEMBER 12. WHILE, OF COURSE, NOT ABLE TO PREDICT THE OUTCOME, SMALL WOULD GUESS THAT THE FINAL PACKAGE WILL TOTAL ONE AND ONE-HALF MONTHS PAY FOR EACH YEAR OF SENIORITY. (THIS WOULD INCLUDE A SETTLEMENT OF TWA'S PENSION FUND)

C. BEYOND LOSSES INVOLVED IN DISPOSING OF OFFICE EQUIPMENT AND PREMATURE TERMINATION OF LEASES, TWA IS AWARE OF NO ADDITIONAL COSTS INCIDENT TO ITS TERMINATING OPERATIONS IN THE FRG.

2. SMALL SAID THAT ABOUT 50 OF TWA'S 250 EMPLOYEES HERE WOULD BE RETAINED TO HANDLE THE AIRLINE'S CHARTER, MAC RELATED ACTIVITIES AND SMALL SALES OFFICES IN KEY GERMAN CITIES. AT TIME OF CONVERSATION, SMALL DID NOT HAVE AN ESTIMATE OF TOTAL COSTS OF TERMINATION AT HAND. WE WILL CHECK BACK AND REPORT ANY ADDITIONAL INFORMATION ALONG THESE LINES THAT WE DEVELOP.
HILLENBRAND

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